



APPROVED April 11, 2011

## **SUMMARIZED MINUTES**

City Council Subcommittee on Water Issues  
Wednesday, January 26, 2011, 12:30 p.m.  
Kiva Conference Room, City Hall  
3939 N. Drinkwater Boulevard  
Scottsdale, AZ 85251

**Call to Order – 12:40 p.m.**

### **Roll Call:**

Councilman Robert Littlefield, Chair – **Present**  
Councilman Ron McCullagh – **Present**  
Councilwoman Lisa Borowsky – **Present**

### **1. Approval of meeting minutes: June 28, 2010 Subcommittee Meeting; June 28, 2010 Executive Session**

Motion by Councilman McCullagh to approve the minutes which carried 3/0

### **2. Water Resources Rate Study – Marshall Brown, Water Resources, Executive Director**

Mr. Brown discussed the concept of initiating a Rate Study and reported that Water Resources would like to present the request for authorization to Council on March 1, 2011. Mr. Brown explained that Water Resources would like to contract with a consultant who specializes in rate studies to evaluate the current rate structure and methodology and the possibility of basing certain water rates on water usage instead of meter size and to relate the sewer rate structure methodology specifically to loadings as well as volume.

### **3. Consider adopting a recommendation to the City Council outlining options related to the AAWC Scottsdale Service area including possible revisions to the Treat and Transport Agreement.**

Councilwoman Borowsky reported that a constituent in the Arizona American Water District had proposed an exchange as consideration for the City of Scottsdale (COS) entering into a Treat and Transport agreement. Thereby, the City would enter into a treatment agreement with AAWC or the new owner EPCOR Water USA Inc. contingent on AAWC relinquishing the COS residents and adding them to the COS service area.

Motion by Councilwoman Borowsky to have the Council Subcommittee on Water Issues recommend to the full Council that the City pursue negotiating with Arizona American Water Company (AAWC) and/or EPCOR Water USA, Inc. for the acquisition of the Scottsdale portion of the Paradise Valley service area in consideration of entering into the proposed Treat and Transport Agreement, which carried 3/0.

**Request for Executive Session to:**

Discuss and consult with attorney(s) of the public body for legal advice; discuss or consult with the attorneys of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation; discuss or consult with designated representatives of the public body to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, all of which purposes pertain to the possible acquisition of Arizona American Water Company assets. A.R.S. Sec. 38-431.03(A)(3), (4) and (7).

**Motion to Recess into Executive Session to:**

Discuss and consult with attorney(s) of the public body for legal advice; discuss or consult with the attorneys of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation; discuss or consult with designated representatives of the public body to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, all of which purposes pertain to the possible acquisition of Arizona American Water Company assets. A.R.S. Sec. 38-431.03(A)(3), (4) and (7).

The Subcommittee took no action to adjourn into an Executive Session.

#### 4. Public Comment

*Citizens may address the members of the Subcommittee during Public Comment. This "Public Comment" time is reserved for citizen comments regarding non-agendized items. However, Arizona State law prohibits Subcommittee members from discussion or taking action on an item that is not on the posted agenda.*

Chairman Littlefield asked for comments from the public:

**Richard Alt, S.WAT and Scottsdale resident**

Mr. Alt asked to go on record that after reviewing correspondence from an independent engineering firm hired by the Town of Paradise Valley it is clear to him that the PV Water District is under stress, and the alternative offered by Councilwoman Borowsky is a solution to its problem.

**Ken Mann – Scottsdale resident**

Mr. Mann asked if as a procedural point of order when the proposal to bring the Treat and Transport Agreement comes up at the City Council meeting whether a member of the Committee could offer an amendment that the Treat and Transport Agreement be contingent upon the AAWC customer swap.

Vice Mayor Littlefield stated that this would be the recommendation of the Subcommittee.

Mr. Mann also asked who would pay for the cost of the pipe when AAWC gives the Scottsdale residents over to the City.

**Lamar Whitmer – Scottsdale resident**

Mr. Whitmer asked how the Mayor could bring this up for reconsideration if he was on the losing side?

The Committee Chair stated this was not a topic agendized for discussion.

**5. Chair and Subcommittee Member Comments**

There were no further Subcommittee comments.

**6. Discuss Next Meeting Date**

Item 6 was not discussed.

**7. Adjourn**

Motion by Councilwoman Borowsky to adjourn the meeting, which carried 3/0.

**Meeting adjourned at 1:00 p.m.**

**Please note:** Council members not on the Subcommittee may elect to attend these meetings for their own information. The meetings are not considered City Council meetings, however, even if the members attending constitute a quorum. No legal action will be taken by the City Council at any of these Subcommittee meetings.

